Do Employees’ Job Satisfaction, Involvement and Commitment Mediate Relationship Between Quality of Work Life and Employees’ Retention?

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Abstract: A strong conviction has been developed among both practitioners and academicians that acquiring and sustaining a successful business, organization do need talented and committed human capital. This study is meant to explore the role of quality of work life in retaining the talented human capital. From two hundred software houses, a sample of one thousand IT experts was selected. Two hundred and sixty fully completed questionnaires were received. Mediation analysis explored that quality of work life has a strong direct positive effect on employees’ retention; however, employees’ job satisfaction, involvement and commitment do not mediate relationship between Quality of Work Life and employees’ retention. Results proved that software-houses providing better quality of work life have higher level of employees’ retention. Organizations seeking higher level of employees’ retention have to plan, design and execute a supportive working environment and competitive jobs to ensure better quality of work life.

Key words: Quality of work life • Employees’ commitment • Job involvement • Job satisfaction • Retention • mediation and software-houses

INTRODUCTION

In the era of globalization, the employees are experiencing distress in the working environment and work-life balance. Conventional job design must be replaced by the enriched and advanced job design [1]. Quality of Work Life is very helpful to understand and solve the employee level distress and problems. All the benefits to the employees like moral building environment, individual development opportunities, sense of authority and better understanding of interrelationships improves employees’ job satisfaction, job involvement and commitment which ultimately improve the retention rate of employees. The advanced theories and practices about the effective working environment have proved the significant impact of human capital retention through employees’ job satisfaction, involvement and commitment. Quality of Work Life actually provides the complete balancing track for the moral building of employees for effective working. Quality of Work Life is actually about people experience at workplace, interaction with their coworkers, work settings and their job effectiveness [2]. Quality of Work Life assists to get supportive and strong cultural needs for human capital to satisfy and involve them. Whenever, organizations want to retain their employees, their major focus is to enhance their learning [3]. Specifically in Software Houses, as IT expects are more attracted to maintain their body of knowledge to escape from obsolescence. The facilities and adequacy of resources, empowerment and training and development are also the key constructs to retain the talented pool of employees through satisfaction, involvement and commitment. The large number of studies has been conducted about the significance of Quality of work life; however, this study is conducted to investigate the significance of Quality of work life to retain the talented human capital of Software House through assessing the mediating role of employees’ job satisfaction, involvement and commitment of employees.

Literature Review: Quality of Work Life is not a straightforward concept; it is based on the multidimensional constructs. Physical environment at workplace, nature of job, the psychological conditions of
the employees, organization management and policies are the key concepts in Quality of Work Life [4]. Quality of Work Life is used as the work place human resource strategy to maintain the working atmosphere for the employees to work effectively and efficiently. Quality of Work Life not only refers quality working environment, but it also maintains and promotes the relationships among employees. Quality of Work Life programs include not only various types of improvements in organizational culture, it also supports to retain the human capital. Quality of Work Life improves the voluntary involvements of employees. In other words, Quality of Work Life prevents employees from the excessive negative conditions and manages the employee stress.

Quality of Work Life is measured in terms of employees’ needs and wants [5]. The important construct of Quality of Work Life is assurance of no job loss. Quality of Work Life is the bridge between the organizational environment and retention of talented pool of employees. Some of the underlying assumption explains that the work-life balance ensure Quality of Work Life. Quality of Work Life is also important construct for the skill development of employees. Quality of Work Life focuses not only at improvement of living standard and environment but also the improvement of compensation structures. Continuous learning and development, social interactions, working environment, compensation and job security are important constructs for Quality of Work Life. Quality of Work Life is directly and indirectly motives human capital to show their full capabilities to improve the organizational output. Quality of Work Life is inversely proportional to work or role conflicts and imbalances in the work and family life [6]. The balance in Quality of Work Life is necessary to achieve the balanced and desired work environment. Quality of Work Life is the psychological framework for the human development and enrichment. So, Quality of Work Life should be adopted as the strategy to get maximum employees’ satisfaction, involvement and commitment.

Organizational Culture: Quality of Life Orientation:
Working environment and organizational culture are major and most important construct of Quality of Work Life. The positive organizational environment can improve the outcome of the employees [7]. The satisfied workforce is more committed with their organization. Healthy and safety working environment provision is necessary workplace practices for the employees. Positive atmosphere assists low level of job burnout [8, 9] found that positive characteristics of environment reduces the emotional exhausting and improves the self-actualization. They also suggested that there must be the intervention programs for understanding the advancements in the working environment for the attainment of employees’ self-actualization. These recognition programs and self-actualization ultimately cause job satisfaction, job involvement and commitment with organization.

The employees career aims, educational advancement and the status in the society is always affected by the organizational culture. The culture must be used as strong strategic tool for the betterment and improvement of organizational environment. On the job, success is ensured if the individual working habit matches the organizational culture. The employees must be given the flexibility to have their desired culture. Organizational culture and norms give the actual power to the employees [10]. Organization must understand the power of the organization culture to maximize the abilities to achieve its strategic objective [11].

The relation and cooperation among employees is the essence of the organizational success. The study has observed that the organization where relation and cooperation among employees is strong, employees are more attached and committed with the work as well as with the organization. [12] found that ‘Membership’ is the input for formation of the social capital and membership does not prove that social capital has declined. So, membership is actually considered as the employees’ dedication and behavior to get involved in the organization. Social relationship develops trust. The trust, communication and employee focus strategies have significant direct and moderate indirect effect at organizational commitment [13]. Social relationships play the significant role for the employee job involvement and job satisfaction. Relation and corporation between employees is a way for the continuous learning and development. It also encourages the voluntary involvement of employees, state of control development and self-help through mutual cooperation.

[14] argued that employee education and training is the best possible answer to the intricate new challenges of information and technology. He also suggested that training and development provides consistent knowledge and innovation, experience exchange, proactive behavior, competitive edge and satisfaction to all the employees of organization. The success of the learning organizations is dependent on the level of training and development provided to employees. Training can reduce
the probability of failure and effects performance and level of commitment. It develops the organizational stability among employees. The learning organizations pay much emphasis on the training and development needs for employees. Learning comes either from experience or from training. This learning not helps the organization but also to the individuals and develops healthy human relationships. It reduces the risk of obsolescence. Information technology organization which make the training and developmental needs necessary for their employees have lower chances of obsolescence in the near future. The one who is not willing to change want to kill it-self. \[15\] compared the two types of firms committed with the training sessions and not committed with training sessions. The results showed that training is good to control the job performance and good motivator to control the level of stress.

Facilities and resources management involves the long-term and common infrastructure, capacities development and defining the roles and policies \[16\]. Therefore, facilities and resources management must be the fully planned and well managed structure for the human capital satisfaction, involvement and commitment. The manager must take advantage to utilize the available knowledge and opportunities generation to maximize the ability of people and knowledge management through the adequacy of resources and facilities \[17, 18\]. argued that facilities and resources management has meaning full conclusion to manage the issues and complexities. It is mostly related to the human behaviors. Many companies are offering services in terms of facilities and resources provisions for the sake of employees’ satisfaction, involvement and commitment. It would be the better for organization to provide adequate resources and facilities by their selves to human capital to make them satisfied, involved and committed specifically in software houses.

**Job Profile: Quality of Work Life Orientation:**

The management of rewards and compensation is one of the best retention strategies for the organizations. The organizations are now using the word strategic compensation programs for employees for the long-run. Pay can be directly in form of wages and salaries and it can be indirect in terms of other benefits. The institutional factors of compensation suggest that IT professions should pay the significant attention to their career planning \[19\]. As the compensation is directly linked to the retention as well as the career planning of employees, the organizations pay more attention for the improvement of the employees’ compensation packages. So there must be the planning for the software developers’ career in the compensation strategies. Strategic compensation planning links compensation of employees to the mission, objectives, philosophies as well as the culture of the organizations.

Secure job is the dream of every employee for the financial as well as the employment stability. Employees’ job security is positively related to the employees’ well beings. Dissatisfaction of the employees leads towards the turnover of employees. Job security is linked to the organizational commitment \[20\]., improves the trust of management \[21\] and also improves the organizational involvement \[22, 23\]. This is the relationship between employee and employer to stay in the relation for the work-done. The secure relation and connection between the employer and employee can be fruitful for both employer and employee to get the work done. Job insecurity leads towards employees’ turnover intensions \[24, 25\]. Job insecurity creates possibilities like loss of job, loss of income and loss of financial security as well. On the other hand, the job security leads towards the career assurance of the employees.

Empowerment is about employees’ enablement, involvement and encouragement, the most important improvement can be observed in the employees’ satisfaction and their involvement level with the organization and ultimately improvement in the level of employees’ retention. The overall power of the organization can grow due to better management of empowerment. In respect of the Quality of Work Life, empowerment is the major and most powerful tool to exploit employees at every basic level. Mutual trust, supportive and encouraging environment is needed for the empowerment environment, as giving up controls can be threatening to the top management. \[26\] explained that empowered individuals must feel competent, autonomous and valued. The empowerment must be given to the only fully capable and trained individuals. On the other hand the coaching, mentoring and proper support must be there for the employees for the empowered decision making. The facilities and adequacy of resources, empowerment and training & development are also the key constructs to retain the talented pool of employees through satisfaction, involvement and commitment.

Flexible working hour is one of the best strategies for the human capital to involve them with the organization. Research has proved that it not only makes employees happy, but it is also used as the strategic planner to get involved and committed employees. \[27\] argued that if the
flexibility is given to the employees in the working behaviors, then the workplace resources must also be flexible for instance in financial contracts, physical layout and functional opportunities. Flexible workings allow fulfilling the personal objectives and allowing to work from home, it is the powerful tool to manage the work-life balance [28]. The flexible working hours are still a challenge for the organization to manage individual requirements for satisfaction, involvement and commitment, as satisfaction, involvement and commitment reduces the employees’ turnover.

Mediating Factors

Job Satisfaction: Job satisfaction is regarding the collection of employees’ feeling for the particular job. If the particular feeling is positive, then employee is satisfied with the organization. If the particular feeling is not positive, then he/she can be dissatisfied from his/her job. As the job satisfaction is the most researched work-attitude, it includes wide range of behaviors and responses of the workers. Most of the times, it depends in the situations that employees are satisfied or not. So, it is most widely said that the job satisfaction is the attitude rather than the behavior. Mostly strong communications, relationship and strong linkage may lead towards the employees’ satisfaction.

Job Involvement: Employee job involvement is basically about the direct participation of the employees for the employees’ career opportunities and organizational success. This is all about taking the responsibilities, deep involvement in the work or the task given, participation in the problem solving, learning and continuous improvements. For all the active involvement and engagement, the communication is needed to be very important for the problem understanding of the employees in the respectful manner. Thus in all aspects the communication is the back bone of all the commitments and engagements in the organization. Employees would always be involved if they believe that there is true chance of future developed and future improvement. The sense of involvement will be there, if the employees’ goals and organizational goals are aligned. In the dynamic and competitive environment, employees’ involvement play significant role in the success of the organization. Specifically in the high technology organizations, the social media policy is the one of the best involvement strategies. Without job involvement, human resource retention cannot be even imagined in any organization.

Job Commitment: The relationship of employer and employee need integration for work. The employees’ commitment plays the important role for the development of the organization. As employees’ organizational commitment leads toward the retention of employees, commitment is negatively related to the employees’ turnover. In other words, the employees who are more committed with the organization have low intention to leave the organization [29, 30]. If the employees are committed with the organization, then organizations use their human resources as the competitive edge through job rotation, mentoring and training programs [31, 32].

Employees’ Job Retention: Employees’ attraction and retention is the great challenge for the organizations specifically in the IT organization. If the organization has the best compensation strategies for the employees, it would be more attracting for the employees to stay with the same organization. There may be many reasons which make employees to leave the organization. Some of the reasons may be the employee is not expecting that job, lack of growth opportunities, lack of recognition, lack of trust and support for the employees, lack of employee stress management or poor compensation packages etc. So the retention strategies are imperative for the employees; they may be hiring right person for the right place, limited empowerment, try to realize their value for the organization, developing the level of trust and respect, provide information and knowledge about the organization, feedback on the performance, appreciate the efforts, developing the high morale and creation of healthy environment. Talent retention is the most important issue in the software-houses of Pakistan, as there are many challenges such as loss of company information, good-will, efficiency, effectiveness. The turnover of the employees causes more turnovers. The result is very risky and unsafe for the overall organization. There is need of effective relationships, effective compensation and environmental strategies, proper support and growth planning.

Research Methodology: There were 1276 registered software houses in Pakistan. However, the contact details about 1000 software houses were available only. A Simple random sampling technique was used to select a sample of 200 software houses. Further, five research questionnaires were sent to each software house to ensure an unbiased representation of each sample unit. Continuous follow ups, personal visits and reminders
were proved effective to ensure a healthy response rate of 26%; as there were 260 well completed responses received.

A survey questionnaire is used as the research instrument. The well-structured questionnaire was distributed in the different units of software-houses. That questionnaire’s items were adopted from [33-36]. Collection was made through personal visits, post and emails. As the software-developers were too busy to respond, they are mostly targeted through the e-mails through the “Google drive”. The data was also collected and summarized by the “Google drive”. The instrument is five point Likert scale which reflects the range from the strongly disagree to strongly agree. The coding is 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

Mediation Analysis: The research study was to explore that whether the relationship between ‘Quality of work life and employees’ retention is mediated through job satisfaction, job involvement and job commitment or not. To perform the analysis ‘Quality of work life’ was taken as regressor, the employees’ job satisfaction, employees’ job involvement and employees’ job commitment as mediators and the employees’ retention as regressed. For the purpose a combined mediation model was to analyze through direct and indirect regression models.

To prove the mediation of C between A and B, all three regression coefficients (A > B, A > C and C > B) need to be statistically significant. Further, [37] suggested that negative coefficient exists in the mediation cause insignificance of mediation.

Three statistical hypotheses were associated to proposed model; as

- Relationship between ‘Quality of work life’ (QWL) and employees’ retention (RETNT) is mediated through employees’ job satisfaction (SATSF).
- Relationship between ‘Quality of work life’ (QWL) and employees’ retention (RETNT) is mediated through employees’ job involvement (INVOL).
- Relationship between ‘Quality of work life’ (QWL) and employees’ retention (RETNT) is mediated through employees’ commitment (COMIT).

Mediation Effect of Job Satisfaction: Direct and indirect relationship between QWL and RETNT was analyzed the regression analysis and results are reported in model 1 and model 2 (Table. 1). Regression coefficient of QWL was increased from 0.992 to 1.400 after introducing SATSF as mediator. The increase in the value of Regression coefficient of QWL and the negative value of Regression coefficient of SATST proved the insignificance of mediation effect.

Figure 2 provides a graphical representation of mediation analysis results of employees’ job satisfaction as mediator. As, mediation analysis concluded the rejection of hypothesis 1: therefore, relationship between ‘Quality of work life’ (QWL) and employees’ retention (RETNT) is not mediated through employees’ job satisfaction (SATSF).

Mediation Effect of Job Involvement: Direct and indirect relationship between QWL and RETNT was analyzed the regression analysis and results are reported in model 1 and model 2 (Table. 2). Regression coefficient of QWL was increased from 0.992 to 1.343 after introducing INVOL as mediator. The increase in the value of Regression coefficient of QWL and the negative value of Regression coefficient of SATST proved the insignificance of mediation effect.
Mediation Effect of Job Commitment: Direct and indirect relationship between QWL and RETNT was analyzed the regression analysis and results are reported in model 1 and model 2 (Table. 3). Regression coefficient of QWL was increased from 0.992 to 1.169 after introducing RETNT as mediator. The increase in the value of Regression coefficient of QWL and the negative value of Regression coefficient of RETNT proved the insignificance of mediation effect.

Figure 4 provides a graphical representation of mediation analysis results of employees’ job commitment as mediator. As, mediation analysis concluded the rejection of hypothesis III: therefore, relationship between ‘Quality of work life’ (QWL) and employees’ retention (RETNT) is not mediated through employees’ commitment (COMIT).

CONCLUSION

Information technology experts are the strategic asset of the software-houses of Pakistan. Software-houses of Pakistan desire to retain their employees at every basic level to maintain the performance and timely completion of the IT projects. Quality of work life practices comprised of working environment and organizational culture, training and development, rewards and compensation, relation and cooperation, adequacy of resources and facilities, job security, empowerment and flexible working hours have positive and significant impact on the retention of employees. The present study has explored that there was strong contribution of quality of work life of an organization towards ensuring higher employees’ retention rate. However, this study further explored that the relationship between ‘Quality of work life’ and employees’ retention was not mediated by the employees’ job satisfaction, job involvement and job commitment. Non-existence of any significant mediation between ‘Quality of work life’ and employees’ retention while maintaining strong significant direct relationship between the two, depicted the strong effectiveness of quality of work life in the information technology sector’s organizations.

Managerial Implications: All over the global, the retention problem prevailed in the IT sector. IT organizations want to retain their talented pool of IT experts for the maintaining their level of performance and meeting on-time IT project. The construct of Quality of Work Life are important to be introduced in the IT sector for the employees’ satisfaction, involvement and commitment which ultimately leads towards retention of IT experts. Quality of Work Life is based on the multidimensional constructs. Quality of Work Life is basically balance between work and family life. As the
task and assignments in the IT sectors is very challenging and meaningful, the peace of mind is the major issue to deal with all the challenge at workplace. So, possible interventions must be planned frequently to improve Quality of work life in the software houses as it is linked with the retention of human capital.

REFERENCES


